App. F. IX-4

File No. 4

Previous References

Serial Nos.

Leg 58-30 (1-3)
90-27 (1)

RESERVED

Later References.

LT 35.40 (1)

(62)

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. One only

Part B for February 1940.

SUBJECT.

The Mysore Income-tax (Amendment) Act 1939.

GEN. & REV. SECR
13 JUNE 1939
4586
FINANCE BRANCH

As I have already brought to notice in connecti with the report of the Income-tax Commissioner regardi the fall in Super-tax realised from the Mining Compani on account of the less profits made by the Companies in the past, it would appear that if this worseness is allowed to go uncovered in our Budget Estimates, the Estimates cannot be expected to materialize to facts. It has become necessary therefore to take steps now alone to arrest this deterioration by considering alternative methods of raising revenue -- which will not hit the small individuals hard -- so that the tota Income & Super tax revenue is not reduced. One method of covering up this deficit would be by increasing the rates on Companies by 6 pies, which as indicated in para 7 of the Income-Tax Commissioner's letter × dated 10th April 39 is likely to give additional revenue of Rs 93,000/- But this would necessitate a corresponding revision of the maximum rate of 18 pies of income-tax in the case of individua and firms etc., the present rate of 18 pies applying only for incomes ranging from Rs 50,000 to Rs 75,000/- This may perhaps be also allowed since it makes no serious inroad upon the present principles adopted in the levy of income-tax.

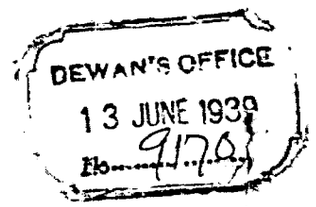
As it is now too late to implement this suggestion in the current Session, action has to be taken

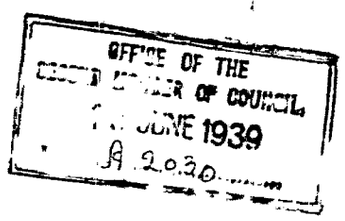
4586
7

File No. of 193 | General and Revenue Secretariat

to prepare a bill for being placed before the October Session of the Assembly so that we may get at least one half-year's revenue.

3 The consideration of the question of imposition of tax on sales of Petrol has also to be expedited.





12.6.39.

(Secy. to Govt. Revenue Dept.)
(Dewan)

4 May in Council 9 Thursday the instant

For Disposal at a meeting. No. C. 521

9 1938-39

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

Subject

(clause ..... of the schedule)

A Proposal to increase the maximum rate of income-tax in the case of individuals and firms from 18 pies to 24 pies.

Circulated to the Members of Council.

By Order,

Chief Secretary to Government.

19th June 1938.

First Member of Council. Lo Sum

Second Member of Council. 11 Sum.

Extract from the Proceedings of the.....978th.....*Meeting of the Council of His Highness the Maharaja, held at Bangalore on the*.....4th August.....1939.....*19*

4. Subject. -

Proposal to increase the maximum rate of income-tax in the case of individuals and firms from 18 pies to 24 pies.

OPINION OF THE COUNCIL.

The proposal of the Financial Secretary may be sanctioned.

(Signed) MIRZA M. ISMAIL,

DEWAN OF MYSORE.

Financial Secretary with compliments.

4586/7(

(5

Increasing the maximum rate of income-tax in the case of individuals & Firms

45-8b.
7

General and Revenue Secretariat | File No. | of 193 | [App. F. III–2

Serial No.

15 D.F.N. submitted

5/8/39

(for Dy) 16

7.8.39

(for Mr) 17 file 9-8

18 Signed Final Note placed below

11.8.39 19 with D.S.N

4.8.39

(for Dewan)

SECOND MEMBER OF COUNCIL, 7 AUG. 1939 No. 897

DEWAN'S OFFICE 1939 122

23 After the proposal is approved, further action will be taken in the matter of amending Schedule I of the Income-tax Act

SECOND MEMBER OF COUNCIL.

Bangalore,
11th August 1939.

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

25 Proposal to increase the maximum rate of income-tax in the case of individuals and firms from 18 pies to 24 pies.

To Chief Secy
MJ
16.8.39

26 ***Order.***

~~KRW~~
16/8/39

Amendment of Schedule I of Income-tax Act 11

General and Revenue Secretariat.

File No. KT of 1939 [App. F. III-2

Serial No.

Reference:-

Financial Secretary's orders dated 22-8-39 on the Circulation Sheet.

" This has, I think, to be included in the R.A. Agenda for the October Session".

As stated in the Financial Secretary's note dated 12-6-1939 The intention of placing this Bill before the October 1939 Session of the Assembly seems to be to get at least one half-year's revenue at the rates ~~of tax~~ in the proposed amended Schedule.

In this connection, kind reference is invited to Section 3 of the I.Tax Act which has a direct bearing on Schedule I.

Section '3' as it stands now says that "Income-tax shall be charged for the year beginning with the first day of July 1931 & in respect of each year.... subsequent years at the rate or rates specified in Schedule I. . . . . .

With the proposed amendment of Schedule I, The year '1931' in Section 3 will have to be changed to the year from which the amended Schedule comes into force. As 1st July 1939 on which date preliminary proceedings for the assessment of incomes ~~will have~~ for the current official year 1939-40 will have already been has elapsed taken, the earliest date from which the amended Schedule can be brought into effect will be

Amendment to G. T. Act

9.T File No. of 1

General and Revenue Secretariat.

Serial No.

perhaps only ~~from~~ 1st July 1940.
In which case there is no possibility of getting one half-year's revenue at the rates proposed in the amended Schedule
3) Whether it is not possible to amend Section 3 so as to enable us to bring the amended schedule into force from a retrospective date in which case alone ~~1st January 1940 when alone~~ we can hope to realise the 2nd half-year's revenue ~~at~~ according to the amended sched is a matter in which the Law Section has to be consulted

3& It may however be noted that by 1st January 1940 the assessment work will have almost been completed and our object in ~~to~~ new may not ~~at all~~ be achieved

The points for orders are
The date from which the amended schedule has to be brought into force

Whether it is not necessary to amend Section 3 of the Act along with the amendment Schedule T.

led
Also the above points are
a draft bill ~~for~~ statement of objects and reasons will be put up for approval
The Legislative Dept. may be requested to draft Act needed to give effect to the proposal CJ 25/8

25/8/39 Fin Sec) 411

Subrd Law Secretary) CJ 26/8 26.8.39

Serial No.

42 In the ordinary course of legislative business the proposed amendment can be placed before the L.C. session of next December or January, & it will become law only in January next, if the Bill is passed at one Session. By that time, the assessment work of the current year will have finished to a great extent. The amendment can come into force on incomes taxed in 1940-1941.

43 This is not a measure fit for being passed as an emergency ordinance. Retrospective effect can be given so that the higher rates comes into force from July 1939. But ordinarily in financial enactments, retrospective effect is not given. It will dislocate the budgets & Commitments of business people for the year.

44 under the scheme of income tax law, there can be no such thing as taxing at a higher rate on the income of half a year. Every assessee's income - with the income of the year previous from any date he chooses.

45 I think it is best that the amending bill is passed in the current year to take effect from 1st July 1940.

(Sd)

28/8/39

14 Amendment to S. T. Act

S.T. File No. of 19

General and Revenue Secretariat.

Serial No.

46 The suggestion of the Law Secretary in the last paragraph of his note may be approved and necessary amendments put through. The general principles will have to be placed before the R.A. at the next session.

OFFICE OF THE SECOND MEMBER OF COUNCIL, 30 AUG. 1939 No. 1647

28.8.39

2d Mr)

Yes. Action may be taken accordingly. The file may be sent to the Dewan for perusal

30/8

49 30.8.39

No

Amendment to I. T. Act

General and Revenue Secretariat.	File No.	[App. F. III-2

Serial No.

The S/c

Reference is invited to G. O. no. P 362-70 - Legis 1-30-1 dated 16th July 1930. The Rules for proposed Legislation under No G.O. (C), the administrative Dept of the Secty. has to prepare a preliminary draft and this with have to be forwarded to the Law Secty. for scrutiny after approval of the Member.

(2) After scrutiny a statement of general principles has to be prepared by the administrative Dept. and sent with the Bill to the Law Secty. for further action.

The file will, if approved, be returned to the Finl. Secty for taking action according to the G.O.

3
1/9/39.

Sore
1.9.39
DOW.

submitted with a draft and a statement II
of General principles

From a perusal of the notes and discussions in Legis file 58-30 Sls 1-3 it seems necessary to add some explanations under Section 3 so as to clear doubts that may arise with regard to the application of the amended Schedule to cases that might have escaped assessment during 1939-40 or the proceedings of assessment to the cases in which might be pending after the close of the year 1939-40. ~~In certain cases~~ ~~The explanations with suitable alteration~~ In this connection kind reference is invited to para 3 of the late Mr. C.S Doraswami Iyer's letter of 15th June 1931

Amendment to the Trunk ~~Act~~ Act
of 19

Seri
No

Two explanations have accordingly been added under Section 3 in the draft bill now proposed

According to the calendar for the ... sitting of the Satara Session of the Representative Assembly, 1939, Monday the 25th September 1939 is the date fixed for the Commencement of Statement of Government Business by the Secretariat in the office of the Secretary R-A

Subject to the approval of orders.

4/9/39 If the bill itself can be ready for laying placed before the R-A no statement of General principles of the Bill would be unnecessary.

Draft of a Bill ~~as~~ and also a statement of General Principles & Objects & reasons are put up for consideration. The Bill requires scrutiny by the Law Dept. These are in accordance with the orders in the file - (to give change from 7.40

In another connection the Jt. Secretary has sug

General and Revenue Secretariat. File No.

Serial No.

A (that the revised rates may be brought into force in the current year alone. If this proposal is agreed to, the Law Dept. may kindly make the necessary corrections'.

CPR
5/9.

Fin Sec)

I have for The draft putup is provisionally forwarded. This may be typed putup. As regards A the matter is before the next Council. As soon as it is decided, the statement may have to be revised

Sd/ 6.9.39
CPR

Typing Section)

~~To~~ ~~d~~ The question of giving retrospect to this proposal from 1.7.39 ~~and~~ was considered in Council on 14.9.39 & it was decided that the revised rates may have effect from 1.7.1940.

A These papers are forwarded to the Law Dept for favour of necessary further action in the matter before Retd

CPR
FS/9/39

Serial No.

The proposed Bill seeks to enhance the existing rates of income tax in respect of income chargeable with income tax after 1st July 1940. This will be secured by substituting the figures "1940" for the figures"1931" in section 3 and altering the rates in Schedule I as has been done by clauses 2 and 5 of the Bill.

Clause 3 of the Bill seeks to retain the right to tax income of previous years which have escaped assessment. This is proposed to be done by adding an Explanation as I renumbering the existing Explanation as II.

There appear to be two objections to this proposal. In the first place there does not seem to be any Explanation at all to section 3 at present in existence. In Act II of 1931 an Explanation to section 2 occurs and this has been reproduced in the revised Act as an Explanation to section 3.

In 1931 when the rates of incometax and supertax were changed, a similar difficulty was experienced and in the Legislative Council an Explanation was added to section 2 of the amending Act.

From a perusal of that Act it will be seen that the Explanation was added to section 2 of the amending Act and not to section 3 of the principal Act.

The Explanation was meant to facilitate the working of the enhanced rates without affecting the rates on which assessment of incomes of previous years had to be fixed and thus it was properly and correctly - if it

1979/P

Bill further to amend Re Incometax Act

File No. of 19

21 SEP 1939 Revenue and Secretariat. Serial

may be said so with respect - added as an Explanation to section 2 of the amending Act. The proper place for this Explanation in the principal Act would therefore be as a note as has been done in another case (vide foot note at page 4 of the Incometax Manual).

Secondly two Explanations appear unnecessary. If an Explanation in the same terms as the Explanation to section 2 of Act II of 1931 be added after changing the figures "1930" to "1939" the desired result will be achieved. Because the year beginning with 1st July 1930 and previous years would also come in under the clause "or any previous year" in the suggested Explanation an be liable to tax at rates specified in schedules I & II as in force during the years in question, two Explanations appear superfluous.

If these suggestions are approved, instead of clauses 3 and 4, an Explanation may be added to clause 2 itself as was done in 1931.

Submitted for orders.

Secretary 3/21/9/

Done 21.9.39

A draft bill & a statement of general principles is put up

In amending Act II of 1931, there has been a Verbal mistake. The explanation to Sec 3 has been merely put down in Clause 4 of that Act The words "insert the following

Bill for the to amend the Income Tax Act

General and Revenue Secretariat. | File No. 19 | of 19 4586/37 | [App. F. III-2

Serial No.

OFFICE OF THE SECOND MEMBER OF COUNCIL
OCT 2 1939
3098

GEN. & REV. SECRETARIAT.
28 SEP. 1939
FINANCIAL BRANCH.

OFFICE OF THE SECOND MEMBER OF COUNCIL
28 SEPT. 1939
2587

as. an explanation to Sec 3 should have been inserted above the explanation. In practice it has been understood correctly. The draft bill will be suitable

(Member Finance)

28/9/39

3/28/9

Revised statement in page 1-3c encl

(Member)

3/9/39

3/30/9

If approved Copies of this Statement & general principles will be sent to the R.A. for further action

30.9.39

(Member Revenue)

3/10/39

3-10-39

3/5/10

Income Tax ~~Bill~~ Amending Bill

T-54

File No. of 19

General and Revenue Secretariat.

Serial No.

A letter to be in charge of this Bill. The file to be sent to the Finance Sec)

Ch.
15/10/38

This Bill was placed before the Representative Assembly yesterday and discussed . In the course of discussion, some of the Members urged that the limit of income of Companies, for raising the rate of Incometax from 16pies to 24 pies, may be somewhat raised in order that companies earning low income may not be required to pay higher rates It was agreed that the enhanced rate may be applied to only such of the companies and registered firms in receipt of income of not less than Rs 4,000 per annum(instead of Rs 2,400 originally suggested) and the Bill with the above modification was passed by the Assembly.

17.10.

Second Member
Through
Secretary R A

18.10

The Bill may be revised accordingly

6/19/10

B. G. to. Draft Bill has been amended lines, being split up into 2 groups with income between Rs 2400 and Rs 4800

Income tax (amendment) Bill.

ral and Revenue Secretariat.

File No. of 19 [A pp. F. III-2

Serial No.

the present rate of 18 pies in the rupee being retained and for Companies etc with incomes above £ 800 the enhanced rate of 24 pies in the rupee being provided for.

Submitted for orders if the Bill may be published under rule 8 of the Rules of Business. The statement of general principles with the above modification will if approved, be adopted as the statement of Objects and Reasons.

Law Secy) 27/11

27.11.39

The Bill is allowed on the basis of the promise made by Govt. in the R.A. The Bill will be published under Rule 8.

2nd Member Dewan) 28.11 27/11/39

28/11

28-11-39

30.11

Income tax (amendment) Bill

File No. D. 902 pfe of 19

General and Revenue Secretariat.

Serial No.

To the Law Office

with three copies of the Bill and a copy of Objects & Reasons

* The matter is to be kept standing in the Press.

9.12.39

Copy taken & file returned

11.12.39

(Protection Branch)

BSVN
11-12-39.

The Bill has been published under Rule 8 of the Rules of Business in the Gazette of the 21st December 39

The Bill is a short measure and once the Principle is accepted there may not perhaps be any necessity to refer it to a Select Committee.

The following Motions are therefore suggested for inclusion in the Agenda:

1. Motion that the Bill published under Rule 8 of the Rules of Business be read in Council.

Move: 2nd Member.

Seconder: Financial Secretary

Motion that the Rules of Business and Standing Orders be suspended and the Bill taken into Consideration at once without reference to a Select Committee

Move: 2nd Member

Seconder: Financial Secretary.

Motion that the Bill be passed.

2nd Member

Financial Secretary

Law Secretary

FINANCIAL SECRETARY U.O.No. Fi. 196 6 JAN 1940 BANGALORE.

SECY. LAW DEPT. GOVT OF MYSORE

W. C.

5/1/40

5326 1.40

6/1 AS 6.1.40 6.1.40

General and Revenue Secretariat.

1975

Income Tax (amt) Bill

File No. D.982/L of 19

[App. F. III-2

Serial No.

OFFICE OF THE [illegible] ASSEMBLY AND LEGISLATIVE COUNCILS

To Lc Office for noting the matters for inclusion in the Agenda and returning the file.

8-1-40

Noted and returned

BVN. 9-1-40

Protection Branch)

5526

The Bill was introduced in the Legislative Council on the 22nd January 1940 and was passed into law the same day.

A D.F. N. is put up

29-1-40

Law Secretary) 29/1/40

5240/39

2nd Reading Cl 39/1

3

39/1

6162

30.1.40.

Signed Final Note placed Below

31.1.40

S. N. Abbott

Dawson) Cl 39/1

3

1/1/40

Final Note by the Second Member of Council.

Subject.— Promulgation into law of Mysore Income-tax amendment) Bill.

On the 16th August 1939 the gracious sanction of His Highness was accorded to amend the Income-tax Act to increase certain rates of income-tax.

The General Principles of the Bill to secure this object were placed before the Representative Assembly during the last Dasara Session and accepted by that House with certai modifications.

The Bill on the revised lines was thereafter introduced in the Legislative Council on the 22nd January 1940 and passed the same day.

I solicit the gracious sanction of His Highness for promulgating the Bill into law.

SECOND MEMBER OF COUNCIL.

Bangalore,
31st January 1940.

Submitted to His Highness

I submit herewith a Final Note by the SECOND *Member of Council on the subject of* the promulgation into law of the Mysore Income-tax (amendment) Bill,

.....

for His Highness' gracious approval.

Mirza M. Ismail

Dewan.

Bangalore,

st February 1940.

Record of Cases submitted for the Orders of

His Highness the Maharaja.

Subject.

Promulgation into law of the Mysore Income-tax (Amendment) Bill.

Order.

KRW

2/2/40

General and Revenue
Secretariat.

SUBJECT:—

Promulgation into Law of the Cyprus Income Tax (Amendment) Bill

(*)

31. All urgent or confidential files returned with His Highness' orders may, in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at Headquarters and then sent to the Secretariat concerned for the issue of orders.

Circulated to Members of Council for perusal of His Highness' orders before/after issue of orders. (*Vide* *Rules 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

Chief Secretary to Government.

Through the Secretary to Government,

Law Department

6

7505
6.2.40

FIRST MEMBER OF COUNCIL. 7/2/40

6397
6.2.40

SECOND MEMBER OF COUNCIL. 6.2

Law Secy. with compliments.

6.2.40

7/2

WD 04642—GPB—500—23-10-39

The Mysore Income-tax (amendment) Act, 1940

General and Revenue Secretariat. Legs: File No. 49 of 1939. 1979/5 [App. F. III-2

Serial No.

The previous assent of His Highness was accorded on the 22nd February 1940 to promulgate the Bill into law.

A draft G.O. directing publication of the Act as Act XIII of 1940 is put up. Draft perused by Dy. Secy, Law Secy, 3/1971

10.2.40. 6/1972 3/1971

Issued G.O. No P 5681 – Legs 49-39-1 dated 14.2.40 directing publication of the Act as Act XIII of 1940. The Act has appeared in Part IV of the Gazette of the 7th March 1940.

BILL FURTHER TO AMEND THE MYSORE INCOME TAX ACT, 1923.

Statement of ~~objects and reasons~~.

The question of improving ~~our~~ revenue resources to meet the expanding ~~administrative and other~~ needs of ~~a progressive~~ the administration has been engaging the attention of Government for some time ~~and the intention is to devise measures that will secure some additional revenue without adding to the burden on persons having low income. This~~ could be secured by ~~enhancing~~ It is proposed to enhance the present rates of income tax (specified in Schedule I of the Mysore Income Tax Act), in respect of the undermentioned chasses

A. in the case of individuals, unregistered firms etc., ge an income of Rs.75,000 or u wards - to be raised from 18 pies to 24pies in the rupee.

WHEREAS it is expedient further to amend the Mysore Income-tax Act, 1923, for the purposes hereinafter appearing, It is hereby enacted as follows:-

Short title and commencement.

1.(1) This Act may be called the Mysore Income-tax (amendment) Act, 19

(2) It shall come into force on the First day of July 1940.

Substitution of new section for section 3, Act V of 1923.

2. For section 3 of the Mysore Income-tax Act, 1923 (hereinafter referred to as the said Act), the following section shall be substituted, namely:-

Charge of income-tax.

"3. Income-tax shall be charged for the year beginning with the first day of July 19[illegible] and in respect of each subsequent year, at the rate or rates specified in Schedule I, in accordance with and subject to the provisions of, this Act, in respect of all income, profits and gains of the previous year of every individual, Hindu undivided family, company, firm and other association of individuals.

EXPLANATION.- For the purpose of sections 3 and 55, income-tax and super-tax chargeable during the year beginning with the first day of July 1939 or any previous year, shall so far as may be, be leviable at the rates specified in Schedules I and II as in force during those years."

3. For Schedule I to the said Act, the following Schedule shall be substituted

BILL FURTHER T AMEND THE MYSORE

CT, 1923.

WHEREAS it is expedient further to amend the Mysore Income-tax ct, 1923, for the purposes hereinafter appearing, It is hereby enacted as follows:-

1.(1) This ct may be called the Mysore Income-tax (amendment) Act, 19

(2) It shall come into force on the First day of July 1940.

2. For section 3 of the Mysore Income-tax Act, 1923 (hereinafter referred to as the said ct), the following section shall be substituted, namely:-

"3. Income-tax shall be charged for the year beginning with the first day of July 1940 and in respect of each subsequent year, at the rate or rates specified in Schedule I, in accordance with and subject to the provisions of, this Act, in respect of all income, profits and gains of the previous year of every individual, Hindu undivided family, company, firm and other association of individuals.

EXPLANATION.- For the purpose of sections 3 and 55, income-tax and super-tax chargeable during the year beginning with the first day of July 1939 or any previous year, shall so far as may be, be leviable at the rates specified in Schedules I and II as in force during those years."

"SCHEDULE 1.
Rates of Income-Tax.
(Section 3.)

A. In the case of every individual, every Hindu undivided family, every unregistered firm and every other association of individuals not being a registered firm or a company:-

	Rate
1. Where the total income is less than Rs.2,400.	Nil
2. Where the total income is Rs.2,400 or upwards, but less than Rs.5,000.	Three pies in the rupee.
3. Where the total income is Rs.5000 or upwards, but less than Rs.10,000.	Four and half pies in the rupee.
4. Where the total income is Rs.10,000 or upwards, but less than Rs.15,000.	Six pies in the rupee.
5. Where the total income is Rs.15,000 or upwards, but less Rs.20,000.	Seven and half pies in the rupee.
6. Where the total income is Rs.20,000 or upwards, but less than Rs.30,000.	Nine pies in the rupee.
7. Where the total income is Rs.30,000 or upwards, but less than Rs.40,000.	Twelve pies in the rupee.
8. Where the total income is Rs.40,000 or upwards, but less than Rs. 50,000.	Fifteen pies in the rupee.
9. Where the total income is Rs.50,000 or upwards, but less than Rs.75,000.	Eighteen pies in the rupee.
10. Where the total income is Rs.75,000 or upwards.	Twenty Four pies in the rupee.

B. In the case of every company and every registered firm all incomes not below Rs.2,400: Twenty Four pies in the rupee".

"SCHEDULE I.
Rates of Income-Tax
(Section 3.

A. In the case of every individual, every Hindu undivided family, every unregistered firm and every other association of individuals not being a registered firm or a company:-

	Rate
1. Where the total income is less than Rs.2,400.	Nil
2. Where the total income is Rs.2,400 or upwards, but less than Rs.5,000.	Three pies in the rupee.
3. Where the total income is Rs.5000 or upwards, but less than Rs.10,000.	Four and half pies in the rupee.
4. Where the total income is Rs.10,000 or upwards, but less than Rs.15,000.	Six pies in the rupee.
5. Where the total income is Rs.15,000 or upwards, but less Rs.20,000.	Seven and half pies in the rupee.
6. Where the total income is Rs.20,000 or upwards, but less than Rs.30,000.	Nine pies in the rupee.
7. Where the total income is Rs.30,000 or upwards, but less than Rs.40,000.	Twelve pies in the rupee.
8. Where the total income is Rs.40,000 or upwards, but less than Rs. 50,000.	Fifteen pies in the rupee.
9. Where the total income is Rs.50,000 or upwards, but less than Rs.75,000.	Eighteen pies in the rupee.
10. Where the total income is Rs.75,000 or upwards.	Twenty Four pies in the rupee.

B. In the case of every company and every registered firm all incomes not below Rs.2,400: Twenty Four pies in the rupee

BILL FURTHER TO AMEND THE MYSORE INCOME TAX ACT, 1923.

Statement of Objects and Reasons.

estion of improving our revenue resources to meet the expanding administrative and other needs of a progressive administration has been engaging the attention of Government for some time and the intention is to devise measures that will secure some additional revenue without adding to the burden on persons having low income. This could be secured by enhancing the present rates of income tax (specified in Schedule I of the Mysore Income Tax Act), in respect of the undermentioned chasses:-

A. In the case of individuals, unregistered firms etc., getting an income of Rs.75,000 or upwards	to be raised from 18 pies to 24 pies in the rupee.
B. in the case of companies and registered forms, in receipt of income not below Rs.2,400 -	-do-

The rates of income tax in force in the State are considerably lower than those in force in British India, and even with the enhancement proposed above the rates in Mysore will compare favourably with those in British India.

BILL FURTHER TO AMEND THE MYSORE INCOME TAX ACT, 1923.

Statement of objects and Reasons.

The question of improving our revenue resources to meet the expanding administrative and other needs of a progressive administration has been engaging the attention of Government for some time and the intention is to devise measures that will secure some additional revenue without adding to the burden on persons having low income. This could be secured by enhancing the present rates of income tax (specified in Schedule I of the Mysore Income Tax Act), in respect of the undermentioned chasses:-

A. In the case of individuals, unregistered firms etc., getting an income of Rs.75,000 or upwards	to be raised from 18 pies to 24pies in the rupee.
B. In the case of companies and registered forms, in receipt of income not below Rs.2,400	-do-

The rates of income tax in force in the State are considerably lower than those in force in British India, and even with the enhancement proposed above the rates in Mysore will compare favourably with those in British India.

BILL FURTHER TO AMEND THE MYSORE INCOME ACT,1923.

Statement of Objects and Reasons.

The question of improving our revenue resources to meet the expanding administrative an needs of a progressive administration n engaging the attention of Government for time and the intention is to devise meas that will secure some additional revenue out adding to the burden on persons havi income. This could be secured by enhan the present rates of income tax (specifi Schedule I of the Mysore Income Tax Act) respect of the undermentioned classes:-

A. in the case of individuals, unregistered firms etc., getting an income of Rs75,000 or upwards - to be rais 18 pies to in the ru

B. in the case of companies and registered firms, in receipt of income not below Rs2,400-

Objects & Reasons

Statement of ~~General Principles~~

of Bill to amend the Mysore

Income Act, 1923

The question ~~is~~ forms an revenue
resources to meet ~~In view of the present~~
~~financial conditions and the~~
expenditure administrative work
needs of a progressive adm^n
engaging attention of
~~it has been found necessary~~
~~to augment the revenue~~ In some
~~resources of the State.~~ An
~~examination of possible~~ to devise measures
~~alternatives has indicated~~
that with some additional
revenue ~~can be derived~~,
without ~~in any way increasing~~ adding
~~the burden on persons~~ individuals with
low income, this can be
done by slightly
enhancing the present rates
of Income-tax (specified
in Schedule I of the
Mysore Income-tax Act),
in respect of the
undermentioned classes

A.	In the case of individuals, unregistered firms etc, getting an income of Rs 75,000 or upwards	To be raised from 18 pies to 24 pies in the rupee
B	In the case of companies and registered firms, in receipt of income not below Rs 2,400:	— do.

The rates of Income-tax in force in the State are considerably lower than those ~~in~~ in force in British India, and even with the enhancement proposed above the rates in Mysore will compare favourably with those in British India

AS
6.9.39

A Bill further to amend the Rupore Income-Tax Act 1923.

Whereas it is expedient further to amend the Rupore Income-tax Act 1923, for the purposes hereinafter appearing:-

Short title and Commencement

1 (a) This Act may be called the Rupore Income-tax (Amendment) Act 1940.

(b) It shall come into force on the 1st day of July 1940.

(1) For the figure '1931' occurring in line 2 of Section 3, (2) substitute the figure '1940'

be leviable at the rates specified in Schedule I as I see during those years.

The Explanation now existing, ~~which may be renumbered as Explanation 2~~ (which may be renumbered as "Explanation 2") for the words "Sections 3 and 55", and income-tax and super-tax occurring in lines 1 and 2, and the words "Schedules I and II" occurring in line.

iation of individuals not being a registered firm
pany

Where the total income is less than Rs. 2,400	Nil.
Where the total income is Rs. 2,400 or upwards, but less than Rs. 5,000	Three pies in rupee.
Where the total income is Rs. 5,000 or upwards, but less than Rs. 10,000.	Four and half in the rupee.
Where the total income is Rs. 10,000 or upwards, but less than Rs. 15,000.	Six pies in rupee.
Where the total income is Rs. 15,000 or upwards, but less than Rs. 20,000.	Seven and half in the rupee
Where the total income is Rs. 20,000 or upwards, but less than Rs. 30,000.	Nine pies in rupee.
Where the total income is Rs. 30,000 or upwards, but less than Rs. 40,000.	Twelve pies in rupee.
Where the total income is Rs. 40,000 or upwards, but less than Rs. 50,000.	Fifteen pies in rupee.
Where the total income is Rs. 50,000 or upwards, but less than Rs 75,000	Eighteen pies in rupee.

WHEREAS it is expedient further to amend the Mysore Income-tax Act, 1923, for the purposes hereinafter appearing, it is hereby enacted

"SCHEDULE I.

Rates of Income-Tax

(Section 3.)

A. In the case of every individual, every Hindu undivided family, every unregistered firm and every other association of individuals not being a registered firm or a company:-

1. Where the total income is less than Rs.2,400.	Nil
2. Where the total income is Rs.2,400 or upwards, but less than Rs.5,000.	Three pies in the rupee.
Where the total income is Rs.5000 or upwards but less than Rs.10,000	Four and half pies in the rupee.
4. Where the total income is Rs.10,000 or upwards, but less than Rs.15,000.	Six pies in the rupee.
5. Where the total income is Rs.15,000 or upwards, but less Rs.20,000.	Seven and half pies in the rupee.
6. Where the total income is Rs.20,000 or upwards, but less than Rs.30,000.	Nine pies in the rupee.
7. Where the total income is Rs.30,000 or upwards, but less than Rs.40,000.	"welve pies in the rupee.
8. Where the total income is Rs.40,000 or upwards, but less than Rs. 50,000.	Fifteen pies in the rupee.
9. Where the total income is Rs.50,000 or upwards, but less than Rs.75,000.	Eighteen pies in the rupee.
.0. Where the total income is Rs.75,000 or upwards.	Twenty Four pies in the rupee.

B. In the case of every company and every registered firm ıll incomes not below Rs.2,400: Twenty Four pies in the rupee".

THE MYSORE INCOME-TAX (AMENDMENT) BILL.

I beg to move that the Bill further to amend the Mysore Income-tax Act, 1923, published under rule 8 of the Rules of Business, be read in Council.

This Bill purports to secure two objects. It provides for an addition to the revenue resources of the State, which has become necessary not only due to the outbreak of war but also to meet the expanding administrative and other needs of a progressive policy. This addition is proposed to be made without adding to the burden on persons having small incomes. The Bill affects only individuals and unregistered firms having a total income of Rs 75,000/- and over. In their case the rates of tax is proposed to be raised from 18 to 24 pies in the rupee. It also affects Companies and Registered firms having a total income of Rs 4,800/- and upwards. Here also the rate is raised from 18 to 24 pies in the rupee.

In this connection, I may mention that agreeably to the wishes of the Representative Assembly before which the General Principles of the Bill were placed last - October, and in conformity with the promises made by the Dewan and myself then, the enhanced rate has been limited to Companies and registered firms with an income of - Rs 4,800/- and upwards and not to Companies getting an income of Rs 2,400/- and upwards as originally contemplated.

I may mention that even these enhanced rates compare very favourably with the corresponding rates in British India.

BILL FURTHER TO AMEND THE MYSORE INCOME TAX ACT, 1923.

Statement of General Principles.

At present the rate of Income-tax in respect of individuals, unregistered firms etc., getting an income of 50,000 rupees or upwards and in the case of companies and registered firms in receipt of income not below Rs.2400/- is 18 pies in the rupee. In British India the corresponding rates are two annas and one pie in the case of individuals etc., with a total income of Rs.40,000/- or upwards but less than Rs.1,00,000 /- and two annas and two pies in the rupee in the case of -- individuals etc., whose total income is Rs.1,00,000/- or upwards and in the case of companies and registered firms whatever their total income.

The anticipations on which this year's budget was based ~~have been~~ are likely to be upset by the ~~outbreak of~~ war and it has become necessary to supplement the income by increasing the rates of taxation in regard to certain classes of income. It is accordingly proposed to enhance the rates of income in the case of individuals etc., getting a total income of Rs.75,000/- or upwards and in the case of companies and registered firms in receipt of income of not less than Rs.2,400/- from 18 pies to 24 pies in the rupee. Even this enhanced rate compares favourably with the corresponding rates of British India as can be seen from the figures given above.

The proposed Bill gives effect to the increased rates of the income-tax coming into force from the 1st July 1940.

Bill passed

NOTIFICATION

No. 3324—*I C. Bangalore, dated*
12*th December* 1939.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill further to amend the Mysore Income-tax Act, 1923, is published for general information with the statement of objects and reasons.

By Order,

C. SUBRAHMANYA AIYAR,
Secretary,
Mysore Legislative Council.

Substitution of new Schedule for Schedule I to Act V of 1923.

3. For Schedule I to the said Act, the following Schedule shall be substituted, namely :—

"Schedule I.

RATES OF INCOME-TAX.

(*Section* 3.)

A. In the case of every individual, every Hindu undivided family, every unregistered firm and every other association of individuals not being a registered firm or a company :—

	Rate.
Where the total income is less than Rs. 2,400.	Nil.
Where the total income is Rs. 2,400 or upwards, but less than Rs. 5,000.	Three pies in the rupee.
Where the total income is Rs. 5,000 or upwards, but less than Rs. 10,000	Four and half pies in the rupee.
Where the total income is Rs. 10,000 or upwards, but less than Rs. 15,000.	Six pies in the rupee.
Where the total income is Rs. 15,000 or upwards, but less than Rs. 20,000.	Seven and half pies in the rupee
Where the total income is Rs. 20,000 or upwards, but less than Rs. 30,000.	Nine pies in the rupee.
Where the total income is Rs. 30,000 or upwards, but less than Rs. 40,000.	Twelve pies in the rupee.
Where the total income is Rs. 40,000 or upwards, but less than Rs. 50,000.	Fifteen pies in the rupee.
Where the total income is Rs. 50,000 or upwards, but less than Rs. 75,000.	Eighteen pies in the rupee.
Where the total income is Rs. 75,000 or	Twenty-four pies

and registered firms in receipt of income not below Rs. 2,400 is 18 pies in the rupee.

The anticipations on which this year's budget was based are likely to be upset by the war and it has become necessary to supplement the income by increasing the rates of taxation in regard to certain classes of income. It is accordingly proposed to enhance the rates of income-tax in the case of individuals, etc., getting a total income of Rs. 75,000 or upwards and in the case of companies and registered firms in receipt of income of not less Rs. 4,800 from 18 pies to 24 pies in the rupee. Even this enhanced rate compares favourably with the corresponding rates of British India.

The proposed Bill gives effect to the increased rates of the income-tax coming into force from the 1st July 1940.

Bill Further to Amend the Mysore Income Tax Act, 1923.

Whereas it is expedient further to amend the Mysore ncome-tax Act, 1923, for the purposes hereinafter ap- ɔearing. It is hereby enacted as follows :—

1. (*i*) This Act may be called the Mysore Income ax (amendment) Act, 19 Short title and commencement.

(*ii*) It shall come into force on the First day of uly 1940.

2. For section 3 of the Mysore Incometax Act, 923 (hereinafter referred to as the said Act), the follow- ng section shall be substituted, namely :— Substitution of new section for section 3, Act V of 1923.

" 3. Income-tax shall be charged for the year begin- ıing with the first day of July 1940 and in respect of ach subsequent year, at the rate or rates specified in ɔchedule I, in accordance with and subject to the provi- ions of this Act, in respect of all income, profits and ains of the previous year of every individual, Hindu ndivided family, company, firm and other association of ndividuals.

Explanation.—For the purpose of sections 3 and 55, ıcome-tax and super-tax chargeable during the year eginning with the first day of July 1939 or any previous ear, shall so far as may be, be leviable at the rates ɔecified in Schedules I and II as in force during those ears."

3. For Schedule I to the said Act, the following ɔchedule shall be substituted, namely :— Substitution of new Schedule for Shedule I to Act V of 1928.

Schedule I.

RATES OF INCOME-TAX.

(*Section* 3.)

A. In the case of every individual, every Hindu ndivided family, every unregistered firm and every other

association of individuals not being a registered firm or a company :—

	Rate.
Where the total income is less than Rs. 2,400.	Nil.
Where the total income is Rs. 2,400 or upwards, but less than Rs. 5,000.	Three pies in the rupee.
Where the total income is Rs. 5,000 or upwards, but less than Rs. 10,000.	Four and half pies in the rupee.
Where the total income is Rs. 10,00 upwards, but less than Rs. 15,000.	ix pies in the rupee.
Where the total income is Rs. 15,00 upwards, but less than Rs. 20,000.	even and half pies in the rupee.
Where the total income is Rs. 20,000 upwards, but less than Rs. 30,000.	ine pies in the rupee.
Where the total income is Rs. 30,00 upwards, but less than Rs. 40,000.	welve pies in the rupee.
Where the total income is Rs. 40,00(upwards, but less than Rs. 50,000.	ifteen pies in the rupee
Where the total income is Rs. 50,00(upwards, but less than Rs. 75,000.	ighteen pies in the rupee.
Where the total income is Rs. 75,00 upwards.	wenty-four pies

The Mysore Representative Assembly.

DASARA SESSION—OCTOBER 1939.

STATEMENT OF GOVERNMENT BUSINESS TO BE PLACED BEFORE THE REPRESENTATIVE ASSEMBLY.

Statement of General Principles of the Bill further to amend the Mysore District Boards Act, 1926.

N. B.—*This replaces item number 2 in the first set of statement of Government Business.*

Section 68 (4) of the Mysore District Boards Act, 1925, as it stands at present permits the utilisation of the Railway cess funds for the construction of new roads and bridges or for improvement works to existing roads and bridges but not for ordinary repairs of roads.

The District Boards of Kolar, Tumkur, Chitaldrug and Kadur have been permitted to utilise the Railway cess funds for the opening of new roads with the result that a large number of new roads have been constructed by them. It is represented that their normal funds are not sufficient to meet the annual maintenance charges of these roads and that permission may be accorded to utilise the Railway cess funds for the annual repairs of roads also and that the District Boards Act may be suitably amended to secure this object. It is, therefore, proposed to amend Section 68 (4) of the Act suitably.

The financial condition of most of the District Boards is not satisfactory and the Committee appointed by Government to examine their finances has recommended that some of the District Boards should levy a special cess under Section 69 of the Mysore District Boards Act. As the District Boards are not agreeable to impose the levy and there is no other source by which they can improve their finance, it is proposed that Government should take power to require them to impose the levy by including in the District Boards Act a section similar to Section 86 of the Mysore City Municipalities Act.

6. Statement of General Principles of the Mysore Sales of Motor Spirit Taxation Bill.

The object of this Bill is to levy a tax on all retail sales of Motor Spirit in the State. It is proposed to levy the tax on a gallonage basis at one anna per gallon or at such other rate as may be fixed by the Government by notification in the official Gazette. The tax need be paid only once.

Provision has been made for the compulsory registration of all dealers and retail dealers in motor spirit. No one can sell in retail motor spirit unless he is registered as a retail dealer. Monthly returns are required from the retail dealers. The tax is to be paid before the submission of the return, and evidence of payment is to accompany the return. Power has been taken to determine the tax in cases where an incorrect or incomplete return or no return is submitted. In default of payment of the tax, it may be collected as an arrear of land revenue. An alternative method of collecting the tax from the wholesale dealer himself where he consents to the adoption of that course is also provided for. Dealers other than retail dealers have also to submit returns for facilitating the check of accounts of the retail dealers.

Power has been taken to inspect accounts and stocks of motor spirit. Provision is made for appeals against orders of the Deputy Commissioner or other executive officers of Government.

The Bill follows in the main the Madras Sales of Motor Spirit Taxation Act, 1939.

7. Statement of General Principles of the Mysore Public Security Bill.

The enactment of legislation to supplement the Criminal law for the purposes of securing the Public safety and interest and for maintaining law and order was one of the recommendations of the Committee of Enquiry on the Disturbances at Viduraswatha. The suggestion was made with the idea that it would be employed only in critical situations. Such a measure has been under the consideration of Government since then. They were hoping that its introduction might be deferred, if not obviated.

The recent activities of a certain section of the people, however, rendered it necessary to enact this measure as an Emergency Act in the latter part of September. And it seems desirable, in the interests of law and order and public safety, to place it permanently on the Statute Book.

The Bill seeks to confer upon the Government or other appropriate authorities the following powers, *viz.*,

1. power to arrest and control the movements of persons acting prejudicially to the public safety;

2. power to ban and to take possession and forfeit the property of unlawful associations

3. power to prevent public meetings likely to cause disturbance or public excitement; and

4. power to deport undesirable foreigners.

The Bill also contains provisions which will enable the authorities to deal adequately with certain forms of intimidation and with instigations to the illegal refusal of the payment of certain liabilities

All these provisions are to be found in one or other of British Indian Acts that are in force there to-day.

Section. Legis
File No. 49–39
Serial No. 1

Proceedings of the Government of H. H. the Maharaja of Mysore.

Diary No. of letter replied to.....

Order No. PS 681

GENERAL AND REVENUE SECRETARIAT,

Ordered that the accompanying Act further to amend the Mysore Income-tax Act 1923

which received the assent of His Highness the Maharaja, on the 2nd day of February 1940 be published ~~Regulation~~ Act No. XIII of 1914 in the *Mysore Gazette* for general information.

Date of issue 14/2/40

Signed by Mr. C.S.A.

Secretary to Government
Law Department

To

The Compiler, *Mysore Gazette*, for publication in Part III of the Gazette, in English and Kannada and for supply of spare copies as per standing orders .....spare copies in English, and .....spare copies in Kannada to this office, and.....spare copies in English and.....spare copies in Kannada to the Curator, Government Central Book Depot, Bangalore. Proofs should be sent to this office for approval before publication.

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS

THE MAHARAJA OF MYSORE.

O R D E R No.J. 5681 Leg's 49-39-1

Dated Bangalore the 14th February 1940.

Ordered that the accompanying Act further to amend the Mysore Income-tax Act, 1923 which received the assent of His Highness the Maharaja, on the 2nd day of February 1940, be published as Act No.XIII of 1940, in the Mysore Gazette for general information.

For Secretary to Government
Law Department.

...ler, Mysore Gazette, for publicati...n
...rt IV of the Gazette, in English and
...da and for supply of spare copies as
...tanding Orders. Clean proofs should be sent
...is office for approval before publication.

ACT No. XIII OF 1940.

The Mysore Income-tax (amendment) Act, 1940.

(Received the assent of His Highness the Maharaja on the second day of February 1940.)

Price: 0-0-9.

NOTIFICATION

Order No. P 5681—*Legis.* 49-39-1, *dated Bangalore* 14*th February* 1940.

Ordered that the accompanying Act further to amend the Mysore Income-tax Act, 1923, which received the assent of His Highness the Maharaja on the 2nd day of February 1940, be published as Act No. XIII of 1940 in the *Mysore Gazette* for general information.

C. SUBRAHMANYA AIYAR,
Secretary to Government
Law Department.

ACT NO. XIII OF 1940.

The Mysore Income-tax (amendment) Act, 1940.

(*Received the assent of His Highness the Maharaja on the 2nd day of February* 194(

WHEREAS it is expedient further to amend the Mysore Income-tax Act, 1923, for the purposes hereinafter appearing; It is hereby enacted as follows:-

1. (*i*) This Act may be called the Mysore Income-tax (amendment) Act, 1940; **Short title and commencement.**

(*ii*) It shall come into force on the first day of July 1940.

Substitution of new section for section 3, Act V of 1923.

2. For section 3 of the Mysore Income-tax Act, 1923 (hereinafter referred to as the said Act), the following section shall be substituted, namely :—

Charge of Income-tax.

"3. Income-tax shall be charged for the year beginning with the first day of July 1940 and in respect of each subsequent year, at the rate or rates specified in Schedule I, in accordance with and subject to the provisions of this Act, in respect of all income, profits and gains of the previous year of every individual, Hindu undivided family, company, firm and other association of individuals.

Explanation.—For the purpose of sections 3 and 55, income-tax and super-tax chargeable during the year beginning with the first day of July 1939 or any previous year shall, so far as may be, be leviable at the rates specified in Schedules I and II as in force during those years."

Substitution of new Schedule for Schedule I to Act V of 1923.

3. For Schedule I to the said Act, the following Schedule shall be substituted, namely :—

		Rate.
7.	Where the total income is Rs. 30,000 or upwards, but less than Rs. 40,000.	Twelve pies in the rupee.
8.	Where the total income is Rs. 40,000 or upwards, but less than Rs. 50,000.	Fifteen pies in the rupee.
9.	Where the total income is Rs. 50,000 or upwards, but less than Rs. 75,000.	Eighteen pies in the rupee.
10.	Where the total income is Rs. 75,000 or upwards.	Twenty-four pies in the rupee.

B. In the case of every company and every registered firm :—

1.	Where the total income is Rs. 2,400 or upwards, but less than Rs. 4,800	Eighteen pies in the rupee.
2.	Where the total income is Rs. 4,800 or upwards.	Twenty-four pies in the rupee. "

MIRZA M. ISMAIL,

Dewan.